GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2934
ANSWERED ON:21.03.2002
PAYMENT OF DEMURRAGE TO SHIPS .
UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government are paying a huge amount as demurrage to ships containing LPG for not off-loading their cargo;

(b) if so, the reasons for slow un-loading of LPG imports;

(c) whether the Government have over-estimated growth in domestic demand for LPG loading to excess stock; and

(d) if so, the steps taken by the Government to re-schedule the entry or arrival of ships containing LPG to the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Some amount of demurrage is operationally unavoidable due to detention of ships for various reasons such as :

(i) Port limitations in respect of availability of berth on arrival, waiting for tide and day light, berthing of LPG ships during weekends only etc.

(ii) Delay in ship arrivals because of changes in loading schedules at the load ports, weather conditions etc. leading to bunching of ships carrying LPG imports with other ships on coastal movements.

(iii) Slow unloading of LPG imports because of:

(a) Poor discharge rate due to dockline size limitations.

(b) Ullage constraints arising out of fluctuations in productions as also demand materialisation.

(c) & (d): Against the estimated demand of8099 TMT for public sector undertakings during 2001-02, materialisation is expected to be around 7380 TMT. As against estimated LPG production of 6639 TMT for 2001-02,production is expected to be around 7020 TMT. Following steps have been taken to match the supply with demand.

(a) Regular reviews of demand and production.

(b) Receipt of two LPG imports (26 TMT) were deferred from May/June 2001(lean period) to October/November 2001(higher demand period)

(c) Two LPG import parcels (26 TMT) were cancelled during February, 2002.